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SUBJECT: EU COMMISSION PLEASED BY MAJOR ECONOMIES FORUM

INITIATIVE

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- 11. (SBU) Representatives from the cabinets of EU Commission President Barroso and Environment Commissioner Dimas and from DG Environment expressed their pleasure at the initiative shown by President Obama to continue the Major Economies Process in the form of the Major Economies Forum on Energy and Climate. In what was a telling meeting, it is becoming apparent that President Barroso's office is moving into the lead in the climate conversation in the Commission en route to Copenhagen, as Matthew Baldwin, a member of Barroso's Cabinet, led the discussion. (Note: In a separate conversation, a DG Environment official expressed that Matthew Baldwin and President Barroso are taking charge of the climate portfolio. End note.) Also, while no definite names were put forward as the Leader's representative, it seems likely that Joao Vale de Almeida, Head of Cabinet for President Barroso, will take the position, a departure from last year when Jos Delbeke, then Acting Director General for DG Environment, represented the Commission.
- 12. (SBU) Baldwin was accompanied by Laurence Graff, of Dimas' Cabinet, and Artur Runge-Metzger, DG Environment's Head of the International Climate Negotiations Unit. Baldwin provided several insights into his view of the MEF, including thoughts on timing, agenda, and attendance. Overall, he likes the process and explained that though the EU was skeptical when it started last year, it worked; now he would like to make the MEF more operational and intimate. He said that May will be a very difficult month for the Commission, with several summits taking place. He asked that we provide even "undefinitive" dates for May and June as soon as possible, noting that May 21-22 is completely out for de Almeida.
- 13. (SBU) Echoing earlier statements by the Commission, Baldwin listed three focal points for the agenda: (1) mitigation commitments from both developed and developing countries, (2) financial architecture and governance (not discussing numbers at this point), and (3) green technology transfer to developing countries. He noted that forestry is very important and should be included in the discussions on commitments and financial architecture. He appreciated the inclusion of Denmark, and noted that Sweden will want to be a part from the start, though he understood why they were not at the moment. He intimated that the EU Presidency delegation may well include a (non-speaking) representative from Stockholm. (Note: Sweden will represent the EU as the Presidency country during the Leaders' meeting in July, though will not have officially attended any of the preparatory meetings under the current format. End note.)
- 14. (SBU) Overall, Baldwin had several ideas and thoughts, though nothing definite, for the MEF. He argued that the MEF

needs an outcome more specific then the G-8 or the MEM. He said that coming to a significant understanding among the MEF countries on climate in three meetings is very optimistic, but hinted that there could be some "code" in the language of the statement that hints to the key pieces of a deal. The problem, he claimed, is the tendency of major emerging economies to hide behind the negotiating process. He recommended one way to facilitate agreement on key concepts could be to parallel the G-8 sherpa process with a series of thought papers before each MEF meeting on the key issues to be considered.

- 15. (SBU) Baldwin and Runge-Metzger also commented on the UNFCCC process and their thoughts for Bonn and for the year. The EU will want to avoid discussion about financing figures absent clarity on mitigation targets, both from developed and developing countries. They did not dwell on their perspectives of the current U.S. target, instead saying that they want to avoid the situation where everyone is looking expectantly at the U.S. Focusing on developing countries, Runge-Metzger said he would like to see more commitment, and that the terms "comparability" and "common but differentiated" will come into play frequently to balance "measurable, reportable, and verifiable." This, they argued, could lead to "trenches" being dug by various delegations, and Baldwin said that we need to use Leaders' meetings such as the MEF to break through these trenches.
- 16. (SBU) Comment: The process in the EU continues to move forward, but at a much slower pace than originally perceived in light of the Commission's Communication on the path to Copenhagen. The EU Heads of State and Government recently displayed their unwillingness at this stage to make strong

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commitments on finance (reftel). All three indicated that it will be difficult and time consuming to develop a common position, and they are eager to hear our thoughts on this issue, perhaps opening the door to U.S. leadership. They expressed a willingness to cooperate closely with the U.S. and are looking forward to the MEF, which they believe provides a strong opportunity to move the debate forward. End comment.

MURRAY

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